Government of
Saskatchewan

# 2006 – 2007
# Annual Report

Saskatchewan
Information
Technology Office

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# Table of Contents


**Letters of Transmittal** ..... 2

**Introduction** ..... 3

**Who We Are** ..... 4

**2006-2007 Results at a Glance** ..... 5

Summary of Performance Results ..... 5

Summary of Financial Results ..... 7

**2006-2007 Performance Results** ..... 8

Goal 1 – World class and cost-effective IT service delivery ..... 8

Goal 2 – An environment that supports a prosperous IT industry ..... 14

Goal 3 – Technology that enables better government program delivery and citizen services ..... 17

Goal 4 – Government data that is protected ..... 20

**2006-2007 Financial Results** ..... 22

**For More Information** ..... 23

ITO Legislation and Regulations ..... 23

**Appendix: ITO Organizational Chart** ..... 24


This annual report is also available in electronic format from the department's Web site at **www.ito.gov.sk.ca.**

# Letters of Transmittal

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May It Please Your Honour:

I respectfully submit the Annual Report of the Information Technology Office for the fiscal year ending March 31, 2007.

Frank Quennell, Q.C.
Minister Responsible for Information Technology

The Honourable Frank Quennell, Q.C.
Minister Responsible for Information Technology

Dear Sir:

I have the honour of submitting the Annual Report of the Information Technology Office for the fiscal year ended March 31, 2007.

Respectfully submitted,

Don Wincherauk
Deputy Minister /
Chief Information and Services Officer

# Introduction

This Annual Report provides performance and financial results for the Information Technology Office (ITO) for the 2006-07 fiscal year.

The ITO continued to undergo major changes during the reporting year. The department continued to expand in size as it brought more government departments and agencies into the IT Service Delivery Partnership.

Under its mandate to transform IT service delivery within executive government, the ITO continues to consolidate the IT services of departments and agencies. This consolidation began to take shape in the fall of 2004, with "service delivery partnership agreements" being signed with three departments during 2006-07. They included:

- Environment;
- Justice; and
- Corrections and Public Safety.

This resulted in the ITO being responsible for the service needs of 18 government departments and agencies in total. The department now provides IT services to more than 7,000 government staff. The remaining government departments are expected to join the IT Service Delivery Partnership prior to the end of the 2007-08 fiscal year.

Improvements in the ITO's annual report are tied to the continuing implementation of the government's revamped system of planning, measuring and reporting. Reporting on actual financial and performance year-end results compared to previous reporting years increases accountability to the public. This report describes the actual results of the key actions included in the ITO Performance Plan for 2006-07. The department's 2007-08 Performance Plan was released with the provincial budget on March 22, 2007. Both Performance Plan documents are available online at **www.ito.gov.sk.ca**.

# Who We Are

The Information Technology Office's (ITO) mandate is to provide information technology services, lead IT and service delivery transformation, in addition to coordinating and implementing an integrated approach to information technology, information management and data security throughout all government departments.

Government is using IT to improve internal business processes, provide efficient public services, improve the delivery of citizen programs and services and create a climate for a prosperous IT sector that supports economic growth. It is also important to ensure that IT service delivery is measured and that accountability practices, processes and standards are in place. As a central agency, the ITO manages government's corporate IT agenda and is responsible for the activities that help government meet its IT goals.

The ITO's activities are grouped into four main areas:

- Developing government-wide IT policies and standards;
- Leading IT governance and coordination;
- Creating a climate for a prosperous IT industry; and
- Providing IT services.

## Developing Government-Wide IT Policies and Standards

This includes activities related to developing strategies, policies and standards for government-wide IT, information management (IM), improved citizen services, broadband infrastructure, security, geomatics (technology-based geographic information) and telecommunications. It also includes maintaining the Government of Saskatchewan Web site and liaising with other levels of government on IT-related issues.

## Leading IT Governance and Coordination

This includes developing, implementing and managing government-wide IT governance processes and facilitating client department IT governance. It also includes activities related to managing relationships with clients, leading or coordinating government-wide IT and provincial geomatics initiatives, as well as providing business improvement services for client and cross-departmental initiatives.

## Creating a Climate for a Prosperous IT Industry

The ITO is a primary contact between the IT industry and government. A strong IT sector will also support growth in our traditional industries. We hold formal consultations with representatives from the IT industry, analyze industry data and trends, and provide opportunities for the IT industry to leverage their knowledge and expertise in providing innovative solutions that support government's program and service delivery needs.

## Providing IT Services

This involves activities related to providing all IT services to departments in the ITO Service Delivery Partnership, including operating and managing IT infrastructure (networks and servers), ensuring data security, providing help desk services, developing IT applications, providing project management expertise on all IT projects, as well as managing, procuring and distributing IT hardware and software. The ITO is currently providing IT services to over 7,000 clients in 18 other departments and agencies.

The number of government organizations receiving IT services from the department grew by three during the reporting year as the ITO continued its plans to bring all executive government departments into the IT Service Delivery Partnership prior to March 31, 2008.

As of March 31, 2007, the ITO had 217.9 full-time equivalent (FTE) positions based in Regina, Saskatoon, Prince Albert, Swift Current, Meadow Lake and Yorkton. After seasonal adjustments, the ITO has the youngest overall staff in executive government. The number of ITO staff and clients will change over the coming year as the remaining departments join the ITO service delivery partnership.

# 2006-2007 Results at a Glance

## Summary of Performance Results

The department continued to undergo major changes this year as the consolidation of executive government IT services under the umbrella of the ITO continued. Major initiatives were also undertaken in the department's other mandate areas, with the highlights of the most significant performance results shown below.

### Goal 1 - World class and cost-effective IT service delivery

- Added three major government departments into the IT Service Delivery Partnership. The department now provides all of the IT services to 18 other government departments and agencies, making it the largest IT service organization in government.

- Implemented a three-year contract for Lenovo to supply the ITO with its computer equipment. This contract will decrease computer hardware prices by between 25 per cent and 30 per cent and save between $1.8 million and $3.6 million over the next three years depending on the number of computers that are acquired (5,000 to 12,000).

- Implemented new Barracuda Spam Firewalls to protect clients from the increasing nuisance and security threats received through SPAM email. In four months, over 10 million emails were processed through the SPAM firewalls, which is equal to 87,000 messages per day or 60 messages per minute.

### Goal 2 - An environment that supports a prosperous IT industry

- Developed an "Innovation Session" pilot project that enabled industry to make presentations to government representatives regarding innovation and international trends related to Web-based service delivery, which is a topic that is of interest to most departments.

- Started development of a policy that will evaluate private sector ownership of intellectual property (IP) in IT specific contracts on a case-by-case basis, so that the private sector can leverage opportunities to commercialize the IP developed through government IT projects.

- Partnered with the Department of Industry and Resources and Industry Canada to host a Saskatchewan booth in the Canadian Pavilion at the Hong Kong ITU Telecomm World, which is a major international telecommunications exposition. Three Saskatchewan companies attended the conference.

- Implemented a new Web-based service to assist the province's IT sector in accessing the wide variety of federal and provincial government services that are available to help businesses with their funding, export and human resource requirements.

### Goal 3 - Technology enables better government program delivery and citizen services

- Worked in conjunction with Executive Council on a major redevelopment project for the government's central Web portal. The new portal was launched January 26, 2007. The next step in the initiative is to roll out a new "content management" system for all government departments that will provide a consistency to the look and operation of government Web sites, making them easier for citizens to use when accessing programs and services.

- Developed a detailed implementation plan for the rollout of free wireless (Wi-Fi) Internet in the business areas and post-secondary campuses of Moose Jaw, Prince Albert, Regina, and Saskatoon. The project is scheduled to come online in all four centres in July 2007.

- Followed up a successful pilot project to gain necessary approvals for the replacement of 10,800 telephones with new Voice over Internet Protocol (VoIP) handsets over three years beginning in the 2007-08 fiscal year.

- Spearheaded the "Call for IT Initiatives", marking the second year of implementation of the corporate planning and decision-making process for major IT investments in executive government. "Major" IT investments are defined as those with an estimated value greater than or equal to $250,000, or assessed as medium to high risk, or utilizing emerging or non-standard technologies.

- Developed and implemented a central reporting framework for major IT initiatives. Departments that have major IT projects underway must submit regular project status reports and a post implementation review (upon project completion) to the government's Business Advisory Council (BAC). This new process will help ensure projects are being well-managed and delivering on intended results.

## Goal 4 - Government's data is protected

- Implemented a new antivirus software solution that will protect the computers managed by ITO over the next three years. This solution will reduce antivirus licensing costs by 46 per cent.

- Developed a Business Continuity Planning Guide for use by government departments. Departments can use the guide to develop their own plans to ensure that business can resume and they can continue to deliver services to their clients in the event of disaster.

## Summary of Financial Results

The ITO's 2006-07 expenditure budget was $5.695 million. The department also received supplementary estimates and special warrant funding of $1.468 million, which increased the approved appropriation to $7.163 million. The additional funding was primarily related to implementing free Wi-Fi Internet services in the downtown business cores and post-secondary campuses in Moose Jaw, Prince Albert, Regina and Saskatoon ($1.3 million). The additional funding also provided for better software tools to manage and enhance the Government of Saskatchewan Web site ($100,000), increased salary costs associated with the negotiated collective bargaining agreement ($22,000) and the transfer of a position into the ITO ($46,000) from another government department. The funding related to the position transfer did not impact the General Revenue Fund because there was a corresponding reduction in the other department.

The recovery of amortization is treated as a statutory adjustment and reduced the ITO's approved appropriation by $53,000 to $7.110 million. Total 2006-07 expenditures were $7.038 million, which is $72,000 below the $7.110 million target. The significant variances are explained in the expenditure table on page 23, but the variance is primarily related to increased recoveries from client departments.

The ITO did not have a revenue budget in 2006-07, but revenues of less than $1,000 related to prior years expense refunds were recorded. Costs ($89,000) related to providing IT services to external government agencies (Saskatchewan Municipal Board and Saskatchewan Grain Car Corporation) were offset by a equivalent recovery from the external government agencies.

The ITO budget included 217.9 full-time equivalent (FTE) positions as 33 FTEs were restated from other departments who joined the IT service delivery partnership throughout the year. The ITO's actual FTE utilization was 246 FTEs. The increase in utilization is related to more IT staff than FTEs being transferred from the departments that have joined the IT service delivery partnership and additional staff required to complete the IT transition activities and meet service level targets.

# 2006-07 Performance Results

The following section provides detailed information on the progress that we have made towards our longer-term goals and objectives.

Annual performance information is used to assess overall progress towards goals and objectives each year and, in turn, to inform future plans and actions.

The key actions originally presented in our 2006-07 Performance Plan are listed below, followed by a report on our actual progress. Actual results information is included for all key actions. Further information and explanation about the performance measures are outlined in the department's Performance Plan for 2006-07, which is available at **www.ito.gov.sk.ca**.

## Goal 1 - World class and cost-effective IT service delivery

### Objective 1 – Reduced IT support and infrastructure costs for government

Consolidation of IT service delivery is occurring in jurisdictions and agencies all over North America. Governments recognize that IT consolidation will increase security while reducing IT service delivery costs and creating an opportunity to reallocate savings to new applications or processes that improve program delivery and citizen services.

The ITO is pursuing IT consolidation using the "vertical" integration model. Under this model, the ITO takes over all aspects of IT service delivery (help desk, infrastructure and application development) for departments that want to join the IT service delivery partnership. The ITO is confident that this model will provide tangible benefits in resource allocation, cost savings, security, risk management, strategic application development and better service delivery.

An initial investment is required to incorporate departments into the ITO service delivery partnership because some departments face a cost to implement standard infrastructure, hardware and software, and to upgrade legacy applications. The ITO uses a Total Cost of Ownership (TCO) model, which focuses on software and hardware standardization to lower overall support costs. The ITO service delivery model works with strategic partners in using consolidated infrastructure (networks and servers) and software licensing as well as common application development processes to reduce IT service delivery costs.

Implementing best practices in project management ensures that the business requirements, roles, responsibilities and resources available to complete IT projects are clearly outlined and monitored. This helps limit the risk of increases in project scope, cost and schedule.

Benchmarking service levels against private industry standards ensures that the ITO is providing efficient and effective IT services and that government is obtaining the best value for IT investments. As a central service delivery agency, the ITO needs to ensure that it has documented service level agreements with each department to ensure that client needs and expectations are clearly defined and communicated. The ITO must also be able to measure and report the levels of service being provided to each client relative to the documented service level agreement.

Developing and maintaining positive relationships and a focus on client satisfaction is a key element of service quality. Developing client relationships fosters trust, good working relationships and positive results between IT service providers and their clients.

**Key Results for 2006-07**

Integrate the remaining seven departments into the ITO service delivery partnership.

- The departments of Environment, Justice, and Corrections and Public Safety joined the ITO service delivery partnership in 2006-07. The ITO targeted having all executive government departments join the partnership by the end of the fiscal year, but several departments delayed their decision to join the ITO service delivery partnership. However, the due diligence reports are completed for the remaining departments and the ITO expects to complete the consolidation of all government IT services by October 31, 2007.

Leverage IT resources, infrastructure and software licenses to reduce service delivery costs as departments join the IT service delivery partnership.

- Implemented a contract with Lenovo to supply executive government with desktop computers over the next three years. This agreement will reduce computer hardware prices by between 25 per cent and 30 per cent. Lenovo will also supply tools that will reduce the ITO's costs of deploying the computers.

- Implemented an enterprise level antivirus software solution that will lower antivirus licensing costs by 46 per cent.

Document savings achieved through IT consolidation to demonstrate the financial benefits of consolidated IT service delivery.

- Based on the due diligence analysis completed on 11 IT organizations, IT consolidation will reduce IT expenditures by $5.04 million (8.9%) and lower the average cost per user by $505 (7.5%) from the five year average. It will also allow government to avoid a $4.1 million investment in these 11 IT organizations for replacing over 255 servers, creating duplicate e-mail environments and rebuilding server rooms.

Continue documenting IT service delivery processes to provide a basis for continuous improvement.

- Provided each department with a detailed monthly service report and as of January 2007 started providing each Deputy Minister with a monthly Service Report Synopsis. These reports help departments monitor the ITO's performance in meeting the key service delivery targets outlined in the service level agreements and provide status information on key IT projects and business cases.

- Engaged a consultant to conduct a high-level review of the ITO's financial management processes and made a number of changes to the monthly processes and invoices in response to the consultant's recommendations.

- Provided each department with a monthly fiscal forecast and detailed invoice.

Develop learning and development plans for staff to ensure that they have the necessary skills to provide effective IT services.

- Initiated an Employee Development Project to address the concerns identified in the 2005 Employee Survey and the fact that the IT consolidation initiative has left most of the ITO's IT staff in temporary work assignments with out of date job descriptions. This included developing approximately 90 job descriptions, documenting competency profiles and training requirements for all job descriptions as well as an assessment tool that staff can use to evaluate their knowledge, skills and abilities against the competency profiles. This will also allow a training strategy and common training needs to be identified.

Develop and deliver client service training to client-facing staff to improve customer service.

- Held five customer service training sessions for 219 employees, to help provide staff with the tools required to provide good customer service.

Implement new technology that optimizes data storage.

- Implemented an enterprise data storage solution, which will meet the needs of current and future clients. The cost was 70 per cent lower and has lower power consumption than expanding the existing data storage system.

- Acquired a new disk based backup system that is significantly faster than the current tape based system and allows the backups to be completed at a remote location.

Implement a three year contract to supply the ITO with desktops and laptops.

- Implemented a contract with Lenovo to supply executive government with between 5,000 and 12,000 computers over the next three years. This agreement will save between $1.8 million and $3.6 million over the next three years

depending on the number of computers that are acquired. It also included an Aboriginal employment initiative, as Morning Star Technologies is being sub-contracted to refurbish the ITO's leased computers.

Implement a formal project management office to ensure standard project management processes are used on all IT projects.

- In May 2006, the ITO established an Enterprise Project Management Office and put in place a central reporting process to complement the Call for IT Initiatives process. The reporting process essentially closes the "accountability loop" for major IT Initiatives by ensuring that:
    - The costs and risks of the investment are being well-managed; and,
    - Intended outcomes are being achieved.

Ensure the ITO network is available to its clients for 99.5 per cent of working hours.

- The ITO network was available 99.98 per cent of the time in 2006-07.

Develop a simplified IT service level agreement that allows each department's unique service delivery needs to be clearly identified for service delivery agents and clients.

- The standard service level agreement was modified to include a new appendix that outlines each department's unique service delivery requirements.

Ensure all departments in the ITO service delivery partnership have a signed service level agreement on April 1, 2006.

- As of March 31, 2007 the ITO had signed service level agreements with nine of the sixteen partners that were receiving a full range of IT services. Two service level agreements expired and were being renegotiated and the other five departments were in the process of negotiating their first service level agreement. The ITO and departments have a joint responsibility to negotiate a service level agreements. The ITO has a standard service level agreement, which defines the service levels in the absence of a department specific agreement.

Meet service level agreement performance targets for all departments in the ITO service delivery partnership.

- The ITO has identified 10 key service level metrics and met the service level targets in seven of the ten metrics. The ITO had difficulty meeting the service level targets for establishing new users and setting up hardware/software within 5 days. The ITO has revised its internal processes to address this service delivery issue.

Develop and conduct customer surveys to gauge customer service and target areas for service improvement.

- Communicated the results of an anonymous on-line survey of ITO clients that was completed by an independent research firm in March 2006. The ITO identified several areas for improvement and developed a plan to address them.

- Conducted a second anonymous on-line survey of ITO clients in December 2006. The survey results have been distributed to ITO clients. The ITO is developing an action plan to address areas where service improvement is required.

Determine baseline costs of IT service delivery in executive government and develop benchmarks against industry best practices.

- The ITO released an RFP for an independent research firm to conduct an evaluation and benchmarking exercise related to the ITO service delivery organization and its processes, cost structure and governance models. The project will be completed in July 2007.

**Measurement Results**

***Number of server rooms, IT organizations, servers and help desks.***

The ITO established the following baseline information for this performance measure:

*Baseline Information*

| | | | |
|---|---|---|---|
| Server rooms | – | 18 | (April 2005) |
| Servers | – | 438 | (April 2003) |
| Help desks | – | 12 | (April 2003) |
| Number of IT organizations | – | 13 | (April 2003) |

*March 31, 2007 Results*

| | | | |
|---|---|---|---|
| Server rooms | – | 7 | (March 2007) |
| Help desks | – | 6 | (March 2007) |
| Number of IT organizations | – | 5 | (March 2007) |

*[Source: ITO Internal Data]*
*[Frequency: Annual]*

This performance measure provides an indication of the ITO's success at consolidating IT infrastructure to reduce IT support costs. As the number of server rooms, locations where servers are stored, servers and help desks are reduced, government will reduce its current and future IT infrastructure costs because there will be less duplication and the infrastructure/facilities will not need to be maintained or replaced in the future.

This performance measure reports the number of server rooms, servers, help desks and IT organizations used to support IT service delivery for executive government. The ITO will have significant influence over this performance measure as departments join the ITO service delivery partnership and the ITO starts to consolidate infrastructure.

***Per cent of all service desk resolvable incidents resolved on the first call.***

| | | |
|---|---|---|
| *Baseline Information (March 31, 2006)* | = | 81% |
| *March 31, 2007 Results* | = | 92.2% |

*[Source: ITO Internal Data]*
*[Frequency: Annual]*

All elements of IT service delivery including desktop standardization, high availability infrastructure, well defined processes, staff training and certification are required to achieve a high first call resolution rate. Resolving service desk incidents on the first call measures the effectiveness of the ITO service delivery model and ensures clients can sustain their productivity.

A call to the service desk is considered to be "service desk resolvable" if front-line support staff can be expected to have the knowledge necessary to address the issue as well as the necessary tools and access privileges. Any call that must be forwarded to third level support staff because it requires special knowledge or privileges is not considered service desk resolvable. For example, a problem with a back end server or custom application would not be considered service desk resolvable.

On an annual basis the ITO's service desk system provides the source information for this performance measure. An overall result for all departments in the service delivery partnership is reported. The ITO has a high degree of influence over the first call resolution rate because it is responsible for developing and implementing a service delivery model that provides service levels to meet requirements outlined in the service level agreements.

***Per cent of clients satisfied with the ITO service delivery.***

| | | |
|---|---|---|
| *Baseline Information (March 31, 2006)* | = | 78.3% |
| *March 31, 2007 Results* | = | 64.8% |

*[Source: ITO Internal Data]*
*[Frequency: Annual]*

One of the ITO's critical success factors is meeting the defined needs and expectations of our clients. Measuring customer satisfaction will allow the ITO to measure its success at providing effective client focused services.

On an annual basis, the ITO measures customer satisfaction through an electronic customer survey. The performance measure result is based on the percentage of clients who express a neutral to positive response to the ITO client survey question, "On the whole, I am satisfied with the contact I have had with the ITO."

The ITO has a high level of influence on this performance measure because it is responsible to

develop service delivery processes that meet the expectations outlined in the service level agreement. The ITO can also deploy client relationship managers to manage client needs and address any service delivery issues.

## Objective 2 – Be accountable to our stakeholders and clients

The ITO has implemented a new enterprise governance model to ensure that IT resources are deployed efficiently and are supporting government's strategic objectives. The governance model includes a Management Services Council that provides strategic direction, central oversight and makes recommendations on major IT initiatives. A Business Advisory Council ensures that department initiatives support government's goals and promotes cross-departmental initiatives that address common business issues. Within each department, Information Technology Management Committees (ITMC) guide department IT investments to ensure that IT initiatives have a solid business case and are aligned with department and government priorities.

**Key Results for 2006-07**

Co-ordinate the central planning and decision-making process for major IT initiatives.

- Initiated and coordinated the process surrounding the second "Call for IT Initiatives". A total of 19 major IT initiatives submitted by departments were reviewed throughout this process.

- Completed a second detailed evaluation of the Call for IT Initiatives process, which identified recommendations for improving the Call for IT Initiatives process.

- Modified the approach to business case reviews by allowing departments to submit conceptual business cases that were at the early stages of development. This allowed the Business Advisory Council to evaluate opportunities for collaboration with other departments, identify other potential solutions, provide input on the potential project to inform the more detailed analysis and assess the relative priority of the initiative.

Refine the standard business case guidelines and supporting materials to help departments assess the viability of their IT initiatives.

- Redesigned the business case templates and guidelines to make them more user-friendly, less repetitive and focus more on information needed for decision-making.

Co-ordinate two training opportunities to build capacity in executive government for developing business cases.

- Helped develop system-wide capacity for business case analysis and review by sponsoring five detailed business case workshops that were attended by 78 staff and two workshops for Information Technology Management Committee (ITMC) members that were attended by 26 staff.

Implement a monitoring and reporting process for major IT initiatives.

- Developed and implemented a central reporting framework for major IT initiatives. Departments that have major IT projects underway must submit regular project status reports and a post implementation review (upon project completion) to the government's Business Advisory Council (BAC). This new process will help ensure projects are being well-managed and delivering on intended results.

- Seven project status reports were reviewed by the BAC.

**Measurement Results**

***Number of major IT initiatives that were deferred for further business analysis through the central review process.***

2005-06: eight (8)
2006-07: two (2)

In 2006-07 only two submissions were deferred pending further analysis. This is a marked improvement from the previous year and can be

attributed in large part to a better understanding of the new review process and business case training provided to department personnel. A total of 19 major IT initiatives were submitted by departments.

A detailed business analysis is a critical element of any major business transformation and application development project. Best practice suggests making an investment in a business case at the beginning of a project to ensure that the business requirements, scope, cost, timelines and intended results are outlined before selecting a solution and proceeding to the detailed planning and implementation stage.

Developing business cases for cross-departmental initiatives and business transformation opportunities supports effective government-wide IT decision-making and ensures that an enterprise view is considered when assessing initiatives that can address business functions that are common across more than one department.

This measure gauges departments' ability to ensure that an appropriate level of analysis is completed before any major IT investment is made, with a lower number indicating that the appropriate level of analysis has been completed for major IT initiatives. It is calculated by counting the number of IT initiatives deferred for further analysis through the central review process.

The ITO has little influence over this performance measure because each department is responsible for developing the business case for its major IT initiatives. However, the ITO can influence the business cases by helping to build capacity across government to develop business cases, promoting enterprise solutions to common business functions and participating in business case development for departments in the ITO service delivery partnership.

## Objective 3 – Provide IT infrastructure that is energy efficient

According to the federal government's Office of Energy Efficiency, computers and other types of office equipment are among the fastest growing sources of energy consumption in Canada. With energy costs rising, and mindful of commitments to decrease energy consumption, governments are purchasing energy-efficient equipment and promoting energy-saving habits among users.

The ITO will help support the government's efforts to build a green and prosperous economy by ensuring that it purchases energy-efficient computer equipment from ENERGY STAR® partners. It will also ensure that procurement practices support environmentally friendly packaging, recycling and manufacturing processes.

The ITO conserves energy by having the capacity to turn on computers remotely when it needs to add or change software. This means that software updates can occur outside of working hours to minimize user disruption and that users do not have to leave their computers running for these updates to occur.

**Key Results for 2006-07**

Deploy technology that allows computers to automatically "wake up" during the night for patches and updates.

- ITO computers are configured to enter a power saving "hibernation" mode when they are not being used. The ITO has implemented technology that activates the computers and deploys patches or software updates during non-working hours.

Develop and implement an awareness campaign to educate employees about the economic and environmental benefits of using ***ENERGY STAR®*** equipment appropriately.

- Laptops and monitors supplied by the ITO are set up to enter an energy saving "hibernation" mode after a defined period of inactivity. Given that ITO clients are not able to modify the energy saving features on their computers, a formal education program for conserving energy when using computer equipment has not been developed.

Implement environmental conservation factors in a new computer supply contract.

- The ITO's "green" procurement policies are aligned with industry best practices. Vendors were rated and evaluated on information they provided about the environmental impact of their manufacturing and packaging practices. Vendors were also required to list any hazardous materials used in their products and have a packaging waste reduction strategy. The computer equipment needed to be ***ENERGY STAR®*** rated and approved.

**Measurement Results**

***Per cent of desktops and laptops that are ENERGY STAR® compliant.***

*Baseline Information (March 31, 2006)* = 99%

*March 31, 2007 Results* = 99.3%

*[Source: ITO Internal Data]*
*[Frequency: Annual]*

***ENERGY STAR®*** computers are identical to standard computers, except that they enter a low power, or "sleep" mode, when not being used. These computers use 70 per cent less electricity than those without enabled power management features.

This directly measures the ITO's success in providing energy efficient IT infrastructure. The ITO's asset management system will be used to report this measure on an annual basis. The performance measure is calculated by dividing the number of ***ENERGY STAR®*** compliant desktops/laptops by the total number of desktops/laptops supported by the ITO.

The ITO has a significant amount of influence over this performance measure because it is responsible for IT infrastructure standards and can ensure IT equipment is ***ENERGY STAR®*** compliant.

## Goal 2 - An environment that supports a prosperous IT industry

### Objective 1 – A collaborative relationship with the IT industry that promotes sector development

IT is a key strategic sector because of its own growth potential and because it enables competitive improvement opportunities across other sectors, including government. A sustainable Saskatchewan-based IT industry that can export its services anywhere in the world will support economic growth and create jobs in Saskatchewan.

Saskatchewan is home to branches of large multi-national IT corporations as well as many smaller IT companies that are capable of providing world class IT services to clients within and outside of Saskatchewan.

In 2004, the Government announced that the ITO would work with SaskTel to expand CommunityNet and commercial broadband to all communities of over 200 people by 2007. This means 92 per cent of the population – farmsteads, businesses, schools, libraries, health centres and homes – will have access to high-speed Internet. In the spring of 2007, the Province will provide free Wi-Fi Internet access to post-secondary institutions and the downtown business core in Moose Jaw, Prince Albert, Regina and Saskatoon. This initiative along with CommunityNet and SaskTel's commercial broadband Internet services make Saskatchewan the most wired jurisdiction in North America.

Saskatchewan also has the necessary educational system, work force, industry activity and public sector involvement to become internationally recognized as a diverse and vibrant IT center of excellence. These elements position Saskatchewan to create a climate for growth in the provincial IT sector and we will work with the IT industry to identify and implement the best growth strategies.

**Key Results for 2006-07**

Respond to the recommendations outlined in the final report of the Minister's Advisory Council on Information Technology.

- While the ITO has not developed a formal response to these recommendations, it is being used as a guide to grow the Saskatchewan IT sector. The ITO is working to address recommendations related to intellectual property in IT contracts, IT procurement, clarifying the ITO's role and updating the IT sector benchmarks.

Provide opportunities for Saskatchewan youth by providing work-terms for six Aboriginal students enrolled in post-secondary IT programs and four students enrolled in business/policy programs.

- The ITO has a program to provide work term opportunities for six Aboriginal students enrolled in a post-secondary IT program, three work term opportunities for business or policy students and one work term opportunity for an Aboriginal student enrolled in a business or public administration program. In 2006-07, four of the six Aboriginal IT student work terms were filled and two of the four business/policy work terms were filled. Competition for a limited number of students made it hard to recruit the remaining students.

Develop a policy related to intellectual property in IT contracts.

- Started developing a policy that will evaluate private sector ownership of intellectual property (IP) in IT specific contracts on a case-by-case basis, so that the private sector can leverage opportunities to commercialize the IP developed through government IT projects.

Establish a follow up Council to advise the Minister and the ITO on issues related to the IT sector.

- The ITO has not established a formal advisory council at this time. However, the ITO is committed to collaborating with the private and academic sectors on creating a climate for a prosperous IT sector in the province and will continue to work with IT sector leaders to obtain input on IT sector policy development on an informal basis.

Work with the IT sector, provincial and federal government to promote opportunities for the IT sector outside Saskatchewan.

- Partnered with Industry Canada and the provincial department of Industry and Resources to sponsor a Saskatchewan booth in the Canadian Pavilion at ITU Telecom World in Hong Kong. Three Saskatchewan companies attended this international conference.

- Developed promotional material to market Saskatchewan's IT sector.

- Sponsored the Saskatchewan Interactive Symposium 2007 to support new media development in the province.

- Implemented a new Web-based service to assist the province's IT sector in accessing the wide variety of federal and provincial government services that are available to help businesses with their funding, export and human resource requirements.

Update the IT industry benchmarks outlined in the Minister's Advisory Council on Information Technology report.

- In order to track the growth and prosperity of Saskatchewan's IT sector on an ongoing basis, the ITO hired an independent consulting company to update the IT industry benchmarks.

**Measurement Results**

*Under Development*

## Objective 2 – Provide the IT industry with opportunities to add value and innovation to government service delivery

Strategic government investment in IT infrastructure can improve citizen service delivery

and create opportunities for private sector organizations to market innovative solutions. Government needs to focus on building partnerships that allow it to leverage the private sector's knowledge and innovation to provide business or technology solutions.

Given the complexity of the IT environment and the speed of technological change more responsive processes for IT procurement and sourcing are required to meet the needs of industry and government. This would help the IT sector and government develop partnerships for creative solutions that support government's program and service delivery needs.

**Key Results for 2006-07**

Communicate with Saskatchewan vendors on the opportunities available to support government's IT service delivery needs.

- Held a series of formal meetings with IT industry representatives to discuss the ITO's business direction and current issues.

Work with Saskatchewan Property Management and consult with the IT sector on current IT procurement processes.

- Held consultations with the IT sector on several major procurement initiatives, like the enterprise anti-virus solution and an enterprise server solution to obtain their input and feedback before a Request for Proposal (RFP) was released.

- Started to release solution oriented RFPs that will allow the IT sector to leverage their knowledge and experience to address the identified business requirement. This approach was used on the new Tax Revaluation Model program.

Develop and implement a transparent process that allows the IT sector to identify and demonstrate innovative solutions to citizen service delivery or program efficiency that they have used in other jurisdictions.

- Developed an "Innovation Session" pilot project that enabled industry to make presentations to government representatives regarding innovation and international trends related to Web-based service delivery, which is a topic that is of interest to most departments.

Complete establishing an IT industry database that helps IT companies connect with buyers of IT products and services.

- It was determined that this would have limited value at this time after discussions with SATA and conducting additional research in other jurisdictions.

**Measurement Results**

***Per cent of IT services delivered by the private IT sector for the ITO service delivery partnership.***

| | | |
|---|---|---|
| *Baseline Information (March 31, 2006)* | = | 57.7% |
| *March 31, 2007 Results* | = | 52.5% |

*[Source: ITO Internal Data]*
*[Frequency: Annual]*

Government IT spending can create growth in the IT sector. However, additional work from government contracts alone will not foster a sustainable climate for industry growth. Effective government IT service delivery will require both government staff and private sector involvement.

An effective sourcing strategy will provide the private sector with an opportunity to leverage their knowledge and expertise in solving government's business problems. The experience obtained from developing a solution could provide opportunities to market their knowledge outside the province.

This performance measure documents the balance between private sector and government involvement in IT service delivery within the ITO service delivery partnership. This provides an indication of the opportunities provided to the private sector to help government meet their service delivery objectives. The performance measure is calculated by dividing the total value of IT hardware, software and services (management, technical, business analysis, project management or consulting) delivered by

the private sector and dividing it by the total value of expenses in the ITO's interdepartmental services sub-vote. This performance measure will be updated on an annual basis by the ITO.

The ITO has a significant influence over this performance measure because it is responsible to develop a sourcing strategy to obtain services that will meet the needs of their clients. However, individual departments are responsible for identifying their application support, enhancement and development needs. Larger IT projects will likely require private sector involvement and could have a significant impact on this performance measure.

## Goal 3 - Technology enables better government program delivery and citizen services

### Objective 1 – Citizens can interact with government services through multiple channels

Technology has given citizens the ability to complete a wide range of tasks using a variety of channels (phone, fax, in person and Internet). Market research clearly shows that citizens expect to access government programs and services using the channel of their choice. However, providing consistent and seamless service across different channels can require the integration of multiple business processes and IT systems.

The ITO is helping develop a Citizen Service Transformation strategy for government, which will make government services more accessible, easier to deal with and more responsive to public needs. This strategy will benefit Saskatchewan citizens, businesses and organizations by improving their interactions with government and making it easier to find and use government information and services.

**Key Results for 2006-07**

Implement two citizen service transformation pilot projects to demonstrate the benefits of multiple channel service delivery.

- Responsibility for the Citizen Service Delivery portfolio was transferred to the Information Services Corporation (ISC), as a result the pilot projects did not proceed beyond preliminary work. However, the ITO participated on the Steering Committee and as a project resource for ISC's Service Improvement Project, which was intended to provide government with a high level concept proposal, recommendations and options on how to improve the delivery of provincial public services in Saskatchewan.

Work with Corrections and Public Safety on an emergency management initiative that is related to emergency response.

- The ITO's Office of Geomatics Coordination helped the Department of Corrections and Public Safety develop a business case, arrange federal partnership funding and select an industry contractor to implement an emergency incident management and response system. The system is presently under construction and targeted for operation by March 2008.

Work with four government departments to assess the alternatives and develop a business case for an enterprise revenue management system that incorporates the needs of citizens and businesses.

- Worked with the Department of Finance (Finance), Department of Industry and Resources (IR), Department of Justice (Justice) and Department of Environment (Environment) to conduct an independent analysis and develop a business case addressing the potential for an enterprise approach to revenue management for executive government.

- Developed a terms of reference to conduct a more detailed assessment on the degree of commonality between the revenue management processes in Finance, IR and Environment.

**Measurement Results**

Under Development

## Objective 2 – Integrated and improved government business processes through proper utilization of technology

Effective utilization of government's IT infrastructure and assets will allow government to improve internal process efficiency and improve the public's access to government services and programs. As new applications are developed an opportunity exists to review and redesign current business processes to ensure that they focus on meeting the public's service delivery needs in an efficient and effective manner.

There is also an opportunity to develop or implement common applications across executive government to support similar business functions. This would leverage software investment, standardize business processes and reduce application support costs.

**Key Results for 2006-07**

Facilitate collaboration between government departments and agencies on common geomatics initiatives.

- Completed a Request for Information and developed a business case to implement a single window Internet access portal (Geo-Portal) for provincial geographic information that would improve access to geographic information for citizens and businesses and increase the efficiency of sharing geographic information between government departments.

- Worked with the Deputy Minister's Geomatics Council (DMGC) to conduct a performance review of the current governance model and strategic direction to inform a new geomatics leadership strategy for executive government.

- Worked with the DMGC to develop a Terms of Reference and manage a feasibility study that will assess the costs, benefits and implications associated with a centralized geomatics service delivery model. The study should be completed by June 2007.

Co-ordinate the central planning and decision-making process that reviews major IT initiatives and identifies opportunities for cross-department collaboration or enterprise solutions to common business processes.

- Modified the approach to business case reviews by allowing departments to submit conceptual business cases that were at the early stages of development. This allowed the Business Advisory Council to evaluate opportunities for collaboration with other departments, identify other potential solutions, provide input on the potential project for the more detailed analysis and assess the relative priority of the initiative.

Lead the business improvement process on priority enterprise initiatives.

- Worked with the Department of Finance (Finance), Department of Industry and Resources (IR), Department of Justice (Justice) and Department of Environment (Environment) to conduct an independent analysis and develop a business case for developing an enterprise approach to revenue management for executive government.

- Developed and began implementing an initiative to provide free Wi-Fi Internet access to the post-secondary campuses and select business areas in Moose Jaw, Prince Albert, Regina and Saskatoon. The initiative was started and implementation is expected to be completed by June 30, 2007.

- Worked with Executive Council to redevelop the government's central Web portal and implement new content management tools to manage the Web site. The new site was launched on January 26, 2007 and the next step is to convert all government departments to the new content management tools to provide a consistent look and operation for all government Web sites.

Implement a business improvement framework and methodology to assist ITO clients with solutions to specific business issues.

- Developed and implemented a central reporting framework for major IT initiatives, which requires that semi-annual project status reports and a post implementation review are submitted to the BAC. This will help ensure projects are meeting the intended outcomes.

Provide training opportunities to build capacity for business improvement projects.

- Helped develop capacity for business case analysis and review by sponsoring six detailed business case workshops that were attended by 78 staff and two workshops for Information Technology Management Committee (ITMC) members that were attended by 26 staff. The detailed business case workshop was redesigned to include a "hands on" example.

Work with Saskatchewan Property Management (SPM) to evaluate the results of the Voice over Internet Protocol (VoIP) pilot project.

- ITO/SPM developed a pilot project to assess the feasibility of replacing the current government telephone system with newer VoIP technologies using the SaskTel Centrex IP service. Telephone handsets were replaced with VoIP handsets in a number of Saskatchewan Agriculture and Food (SAF) and Saskatchewan Crop Insurance Corporation (SCIC) offices, in addition to handsets already deployed within the ITO and SPM. It was determined that the majority of problems arising in the pilot project were technical in nature and survey respondents felt that the service had the ability to effectively meet and fulfill their telecommunication needs. As a result, the ITO is now working with SPM and SaskTel on a business case to deploy VoIP telephones across executive government over a three year period that would start in 2007-08.

Work with other government departments and interested stakeholders to develop a business case for acquiring high resolution satellite imagery.

- Worked with 22 departments, agencies and organizations to implement a collaborative approach to acquiring full provincial satellite imagery coverage and as much aerial photography as can be obtained with their available funding over the next five years. They have committed to $4.4 million of funding to acquire this information over that time frame. In 2006-07, satellite imagery for 75 per cent of the province was acquired.

**Measurement Results**

***Number of major IT initiatives initiated on an annual basis that are enterprise in nature.***

| | | |
|---|---|---|
| *Baseline Information (March 31, 2006)* | = | 0% |
| *March 31, 2007 Results* | = | 0% |

*[Source: ITO Internal Data]*
*[Frequency: Annual]*

In the past, most departments developed IT systems to meet their own needs. They usually did not consider opportunities to develop integrated or cross-departmental applications that could have provided benefits to all of executive government. This is not uncommon in a highly decentralized environment.

Consolidating applications that support common business functions would lead to a simplified IT environment, reduced application support and development costs, increased security and common applications for common business functions across government. In these cases, an opportunity exists to conduct a detailed analysis of cross-departmental business requirements. This analysis could determine if a single application could meet the needs of more than one department before a significant investment is made in a unique solution for one department that will be replicated in other departments.

This performance measure counts the total number of major enterprise IT initiatives started each year. Tracking the number of initiatives being developed to address common business needs will provide an indication of government's ability and willingness to develop enterprise solutions and simplify the IT environment. A definition of major IT initiatives has been developed.

The ITO reviews all major IT initiatives as part of the central IT review and decision making process. The ITO actively promotes the evaluation of enterprise opportunities. Through this review process the ITO can identify potential enterprise solutions and work with departments to ensure that these opportunities are considered in the decision making process. However, the ITO does not prioritize these initiatives and has no influence on the number of initiatives that are identified or initiated on an annual basis.

## Goal 4 - Government's data is protected

### Objective 1 – Departments ensure the integrity and security of their data

The Government of Saskatchewan is responsible for having the necessary controls to protect government information and citizens' personal data. As a central agency responsible for IT policy, the ITO is responsible to develop government-wide IT security policies and processes, which ensure that government's data and assets are protected.

The ITO is also responsible to ensure that security policies and processes are deployed on cross-government infrastructure like CommunityNet. The ITO has developed a new security policy based on rigorous international security standards to ensure that its data center is secure and that security issues for the ITO's clients are addressed. Departments are responsible to ensure that internal processes, which are consistent with government-wide policies, are in place to protect their data and assets.

The Provincial Auditor has commented on government's security policies and processes several times since 1999 and concluded that government must do more to improve IT security. The Provincial Auditor supports initiatives to improve government's data security.

**Key Results for 2006-07**

Complete implementing operational security processes to support the ITO security policy.

- Implemented a new antivirus software solution to continue protecting executive government computers from viruses and spyware over the next three years.

- Developed a Business Continuity Planning Guide for use by government departments. Departments can use the guide to develop their own plans to ensure that business can resume and they can continue to deliver services to their clients in the event of disaster.

- Implemented new Barracuda Spam Firewalls to protect clients from the increasing nuisance and security threats received through SPAM email. In four months, over 10 million emails were processed through the SPAM firewalls, which is equal to 87,000 messages per day or 60 messages per minute.

- Developed a disaster recovery plan for the data center and completed a disaster planning exercise to train staff on the disaster recovery processes and identify the strengths and weaknesses of the disaster recovery plan.

Engage an independent third party to audit the ITO's new data center and compliance with its operational security processes.

- Worked with the Provincial Auditor on a second detailed security audit of the ITO environment. These are the most detailed security audits the Provincial Auditor has completed on an executive government's IT organization. The Provincial Auditor found that the ITO generally had adequate controls to protect the confidentiality, integrity and availability of client IT systems and data.

- Has taken a proactive approach to ensuring its data center and environment is secure. Over the last 18 months, the ITO completed five different vulnerability tests on the IT environment, which included attempts to penetrate the environment from both within and outside the ITO.

Ensure all departments in the ITO service delivery partnership adopt the ITO's security policy.

- The ITO has made significant progress in signing security agreements with departments. As of March 31, 2007, 63 per cent (10 of 16) of the departments that are receiving a full range of IT services had signed security agreements.

Develop and implement government-wide security standards.

- The ITO has developed strong security policies and procedures based on international standards to protect client systems and data. The policies identify both ITO and client responsibilities.

Develop and implement a government information security risk management plan.

- The ITO has developed a high-level Privacy Impact and Security Assessment form for use in the development of new applications.

- The ITO has formed a Department Security Officers Committee to ensure uniform risk management plan development across all departments.

**Measurement Results**

***Hours of downtime caused by security breaches that impact the ITO network.***

*Baseline Information (March 31, 2006)* = 0%

*March 31, 2007 Results* = 0%

*[Source: ITO Internal Data]*
*[Frequency: Annual]*

The ITO has intrusion detection systems and processes which monitor attempts to access the ITO network. The ITO currently logs approximately 15,000 network access attempts or hits per day. The external threats caused by computer hackers or viruses could seriously impact executive government's IT systems resulting in a disruption of essential service and program delivery.

This performance measure would monitor the effectiveness of the ITO's internal security hardware, processes, standards and controls at preventing security threats from impacting the ITO network. The measure would be calculated by totaling the number of core working hours that the ITO network is not available because of security breaches.

The ITO has a high degree of influence over this performance measure because it is responsible to develop, implement, manage and monitor standards, policies, processes and infrastructure that protect its core network and client data.

# 2006-07 Financial Results

## Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram. Variance explanations are provided for all variances that are greater than $50,000.

| Program | 2006-07 Estimates [1] ($ X 1,000) | 2006-07 Actual ($ X 1,000) | Variance ($ X 1,000) | |
|---|---|---|---|---|
| **Central Management and Services** | | | | |
| Executive Management | 677 | 704 | 27 | |
| Central Services | 915 | 1,105 | 190 | [2] |
| Accommodation Services | 169 | 156 | (13) | |
| **Subvote Total** | **1,761** | **1,965** | **204** | |
| **IT Coordination and Transformation Initiatives** | | | | |
| Information Technology Coordination | 2,998 | 2,631 | (367) | [3] |
| Office of Geomatics Coordination | 225 | 178 | (47) | |
| Information Technology Transformation | 1,454 | 1,694 | 240 | [4] |
| Service Transformation | 300 | 311 | 11 | |
| **Subvote Total** | **4,977** | **4,814** | **(163)** | |
| **Interdepartmental Services** | **–** | **(100)** | **(100)** | [5] |
| **Major Capital Asset Acquisitions** | **425** | **359** | **(66)** | [6] |
| **Sub Total** | **7,163** | **7,038** | **(125)** | |
| **Statutory Adjustment** | **(53)** | | | [7] |
| **Total Appropriation** | **7,110** | **7,038** | **(72)** | |
| Capital Acquisitions | 425 | 359 | (66) | [8] |
| Amortization | 63 | 137 | 74 | [9] |
| **Total Expense** | **6,801** | **6,812*** | **11** | |

* Includes ($4,463) change in prepaid expense

No funding is provided to third parties.

Explanations for major variances:

[1] 2006-07 Estimates as tabled with the Provincial Budget plus special warrant and supplementary estimates funding. Supplementary estimate and special warrant funding was received for the following:

- $100,000 to provide better software tools to manage and enhance the Government of Saskatchewan Web site
- $1,300,000 to implement the Saskatchewan! Connected Wi-Fi initiative
- $46,000 for a position transferred from Department of Environment
- $22,000 for increased salary costs related to PS/GE agreement

(2) The increased expenditure is primarily related to increased human resource workload costs associated with the implementation of the MIDAS HR system, as well as additional resources to assist the department with organizational planning. Special warrant funding of $9,000 was provided for costs associated with the PS/GE agreement and $46,000 was provided for the salary costs associated with transferring a position into the ITO from the Department of Environment. This position provides corporate functions, so its cost is not recovered from client departments.

(3) Special warrant and supplementary estimates funding of $1.238 million was provided. This included $1.125 million for operating costs related to the Wi-Fi initiative, $100,000 for better software tools to manage and enhance the Government of Saskatchewan Web site, and $13,000 for costs associated with the PS/GE agreement. The under expenditure is primarily related to vacancy savings and lower costs to implement the Wi-Fi initiative.

(4) The increased costs in the IT Transformation program are related to transforming information technology service delivery to client departments in the ITO service delivery partnership.

(5) (7) IT services are provided to client departments on a cost recovery basis. The under expenditure in the Interdepartmental Services subvote is primarily related to the recovery of amortization from client departments. The amount of amortization recovered is reflected as a statutory adjustment.

(6) (8) Major capital acquisitions were $66,000 under budget as a result of lower capital costs to implement the Wi-Fi initiative. Special warrant funding for $175,000 was provided.

(9) Amortization expense was $74,000 higher than the budget due to equipment purchased to implement the Wi-Fi initiative and the acquisition of a disk based back-up system. The amortization related to the disk based back-up system was recovered from client departments in the information technology service delivery partnership.

# For More Information

If you have any questions or comments, or would like additional copies of the 2006-2007 Annual Report, we invite you to call 787-8880 or contact:

Information Technology Office
Corporate and Customer Services Branch
8th Floor, 2101 Scarth Street
Regina, Saskatchewan
S4P 2H9

Or send us an e-mail through the Information Technology Office Web site at **www.ito.gov.sk.ca**.

## ITO Acts and Regulations

The Minister Responsible for Information Technology is responsible for the following acts and regulations:

- *The Information Technology Office Regulations, December 2004*
- *The Canadian Information Processing Society of Saskatchewan Act, 2005*

# Appendix: ITO Organizational Chart